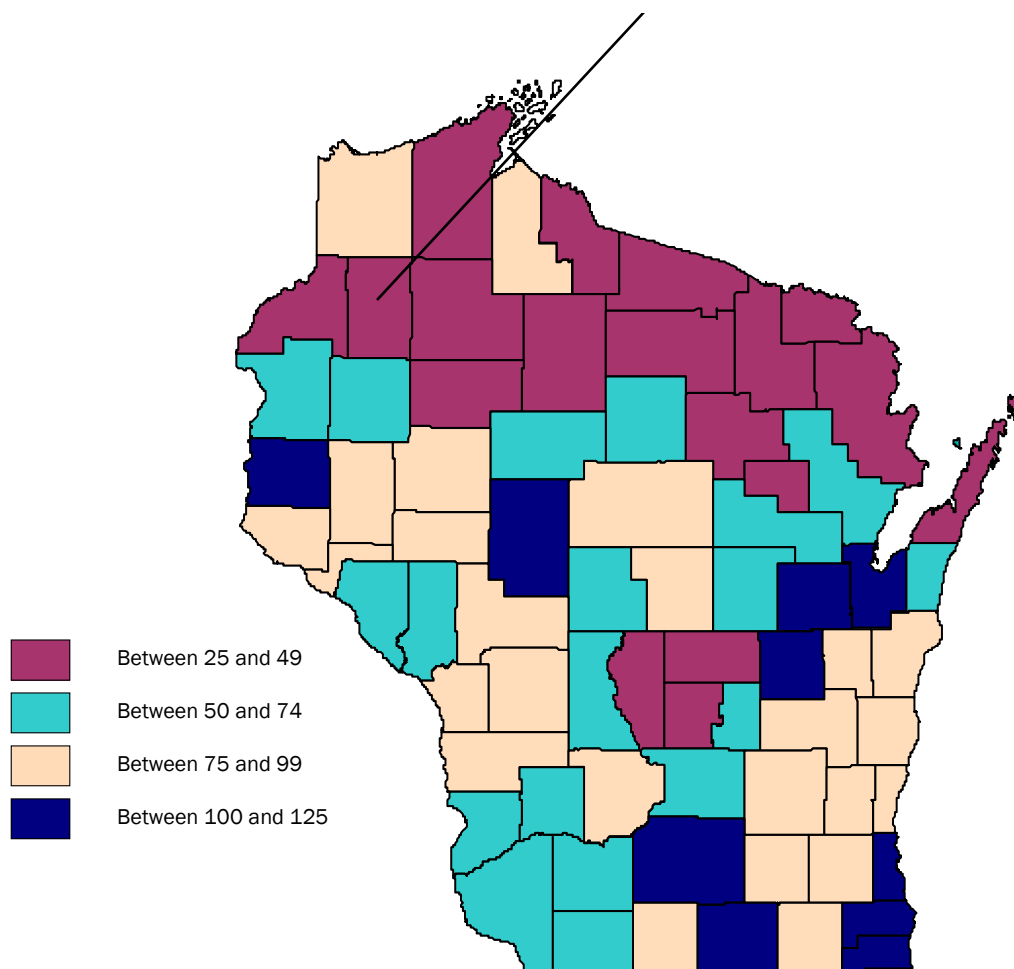


Washburn County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

The population in Washburn County continued to increase at a faster pace than the nation and Wisconsin and ranked 19th fastest growing among the state's 72 counties. From Census 2000 to January 2004 the population in Washburn County increased 4.5 percent by adding 726 residents. Six of the ten largest municipalities out-paced the percent increase of the county. These municipalities, as well as the county, are growing so fast because they attract new residents who migrate to the area.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Washburn County	16,036	16,762	726	4.5%
Largest Municipalities				
Spooner, City	2,653	2,705	52	2.0%
Shell Lake, City	1,309	1,338	29	2.2%
Evergreen, Town	1,076	1,094	18	1.7%
Bashaw, Town	921	1,012	91	9.9%
Trego, Town	885	938	53	6.0%
Minong, Town	858	922	64	7.5%
Long Lake, Town	737	757	20	2.7%
Spooner, Town	677	714	37	5.5%
Beaver Brook, Town	643	692	49	7.6%
Bass Lake, Town	535	597	62	11.6%

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

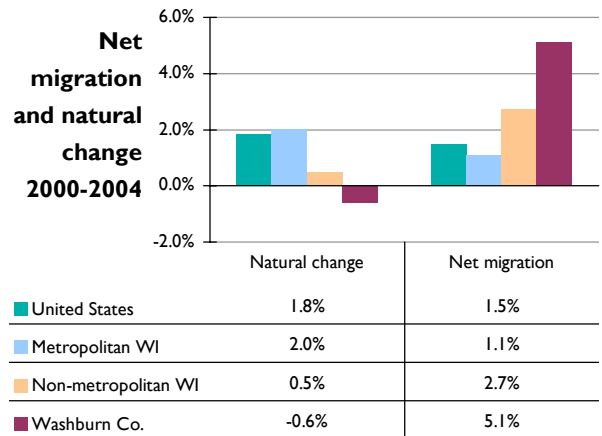
In fact, all of the increase in county population is attributed to net migration, more people moving to the county than leaving the county. The migration rate in Washburn County of 5.1 percent more than tripled the Wisconsin rate of 1.6 percent and exceeded the rate of other non-metropolitan counties. Migration rates in non-metropolitan counties are high because some of these counties attract many residents from neighboring metro areas, or like Washburn County, attract residents seeking a change in lifestyle.

For this reason, many of the residents who move into the county are older. Older populations are attracted to the county as a place to retire, but some of the newcomers arrive before they reach retirement age and they bring families with them.

Most of the newcomers are beyond child-bearing years, however, and the fertility rate

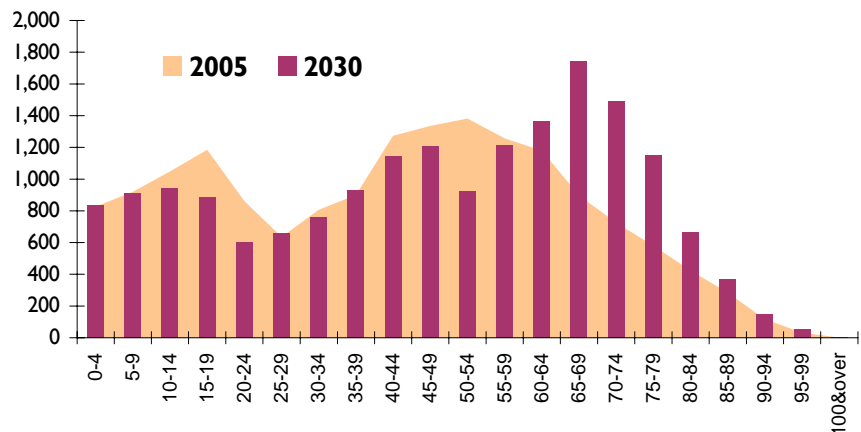
(see glossary) in the county of 56.7 is lower than the rate of 58.7 in Wisconsin. Not only is there a lower fertility rate in the county, but from 2000 to 2004 Washburn was one of 21 counties in the state where there were more deaths than births. During the four-year period the population declined 0.6 percent when the number of deaths, 695, exceeded births by 99.

No wonder the overwhelming trend in the county is toward an older population that will out-number a younger population. Roughly one-quarter of the population is currently over 60 years old, but by 2030 this share will expand to nearly 40 percent. In contrast, 30 percent of the current population is under 25 years old and will shrink to 23 percent by 2030. This trend is dramatized in the bottom graph where the 'hill' created by baby-boomers rises above all other age groups and continues to dwarf other ages in the next 25 years.



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Washburn County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

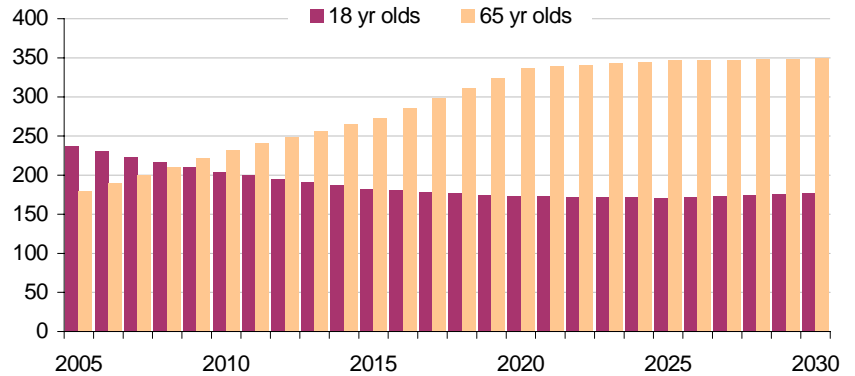
The impact of an aging population is perhaps more obvious in terms of services that they will require. But it also impacts the availability of labor, especially when lower fertility rates also means fewer young people. Assuming that 65 years old represents an average age of retirement and that 18 years old represents high school graduation then a plot of the number of these residents points to a time when the first group exceeds the second group in number. This convergence will occur in 2010 in Washburn County.

As residents age their participation in the labor force declines. Labor force participation rates (LFPR, see glossary) among the population 25 to 50 years of age generally exceed 85 percent in Washburn County. But after age 55, the LFPR begins to drop and by 60 years it nears 50 percent. The number of residents may increase, but as the population ages the labor force will decline.

Although county population growth will slow, it is not projected to decline during the projection period. However, because a greater share of the population will be over 50 years old, an age when labor force participation drops off, the size of the labor force is projected to decline. The three columns in the chart on the right illustrate labor force composition and size. Most notable is the increasingly larger sections representing workers over 65 years in the top sections.

This projection uses national assumptions that included a slight increase in the participation rates of older residents,

Convergence of 18 & 65 year old population in Washburn County

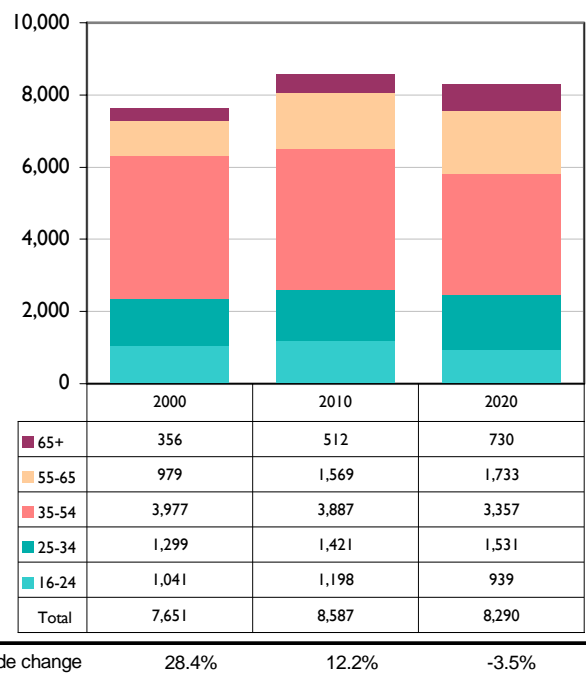


Source: WI Dept. of Administration, Demographic Services

but did not factor in the lower participation rates of white residents; and the population in Washburn County is 97 percent white. The largest ethnic group, American Indian, is less than one percent of the total population.

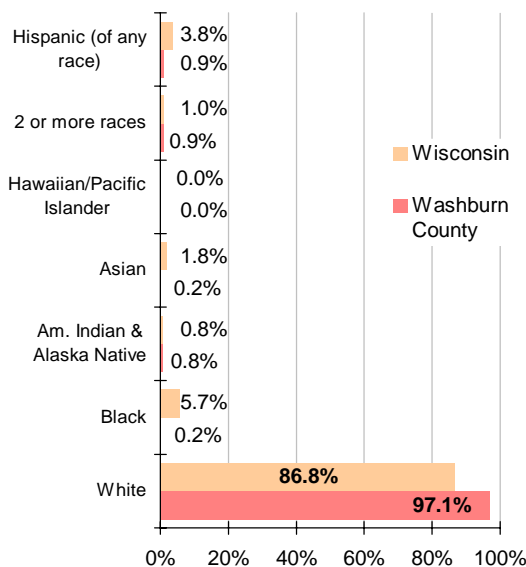
Two broad scenarios arise from the disparity in age and ethnicity: 1) there will be labor shortages due to retirements and the lack of replacement workers especially in occupations that rely on younger workers or require specialized skills; and 2) the aging population will impact the economy as an elderly population demands changes in the types of goods and services provided in local communities.

Washburn County Labor Force Projections by Age



Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

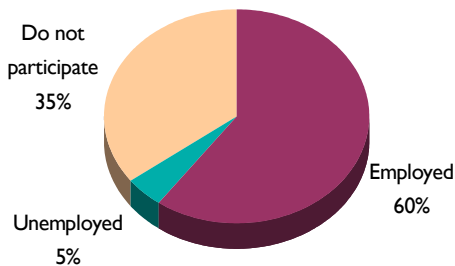
Current Labor Force

Labor force participation represents the share of population that is 16 years old and older that is either employed or unemployed. Participation rates in Wisconsin and the United States in 2003 were 72.9 and 66.3 percent, respectively.

In Washburn County the participation rate was 64.7 percent. This means that 35 percent of the population 16 years and older did not participate. This includes some students and individuals who choose not to work, including

fewer new job seekers into the labor force during the last recession is one of the reasons unemployment rates remained as low as they did. The unemployment rate in Washburn County in 2003 was 7.2 percent compared to a 13.2 percent unemployment rate following the 1981-82 recession when the baby-boomers were entering the labor force in droves.

Labor force participation in Washburn County

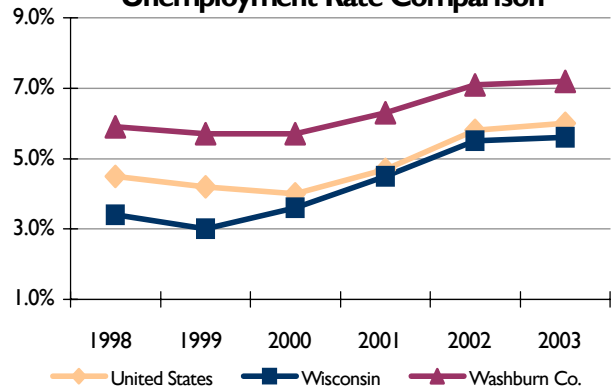


Source: DWD, Office of Economic Advisors, July 2004

retirees. As the population ages, more retirees will be included in the non-participating category by choosing not to work and the overall labor force participation rate will decline.

There will also be fewer new entrants into the labor force, who are seeking first-time jobs, and consequently, fewer included among the unemployed. That, in turn, will produce lower unemployment rates. The fact that there were

Unemployment Rate Comparison



Washburn County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	7,820	7,680	8,060	8,318	8,096	8,437
Employed	7,355	7,246	7,598	7,796	7,520	7,831
Unemployed	465	434	462	522	576	606
Unemployment Rate	5.9%	5.7%	5.7%	6.3%	7.1%	7.2%

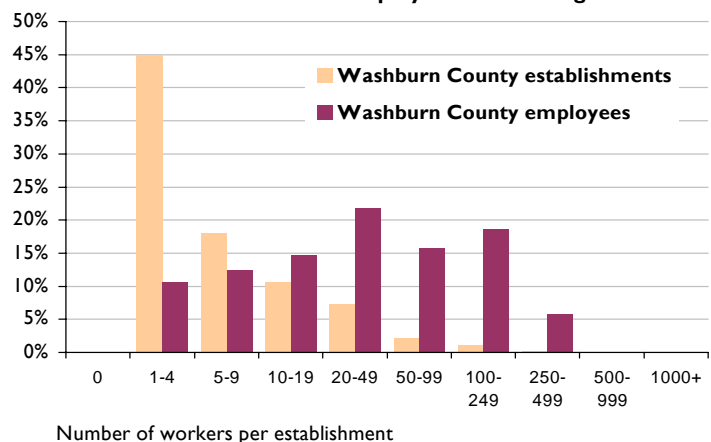
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

Nationwide, about 80 percent of the employers have fewer than 20 employees. In the State of Wisconsin the share of employers with fewer than 20 workers jumps to 85 percent and in Washburn County it increases to 89 percent. The contrast is in the number of jobs provided by employers in this size range. In the nation 27 percent of the jobs are with employers with fewer than 20 workers, in Wisconsin that drops to 22 percent, but in Washburn County 38 percent of jobs, 2,250 out of 5,950, are with employers in this size range.

Over one-third of the jobs in Washburn County, 38 percent, are with employers with 20-99 jobs, however, only ten percent of the employers are in this size range. The average employer in Washburn County has 10 employees, compared with 17 employees in Wisconsin and 13 in the United States.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 22.1, July 2004

Industry & employers by size

The fact that most employers in the county have fewer than 250 workers is illustrated in the list of largest employers where only two with more than 250 workers are listed. The largest employer in the county dominates the food manufacturing industry which is why the data is suppressed (see glossary). Just the opposite is true of the second largest industry, food services and drinking places, where there are many small employers, the average size is 9 workers, who provide over

400 jobs in the county.

The largest industry in the county, educational services, is represented on the list of largest employers by three school districts. This industry also includes the administrative offices of the Wisconsin Indianhead Technical College. These employers, as well as the County and Wisconsin Dept. of Natural Resources, are all public sector employers.

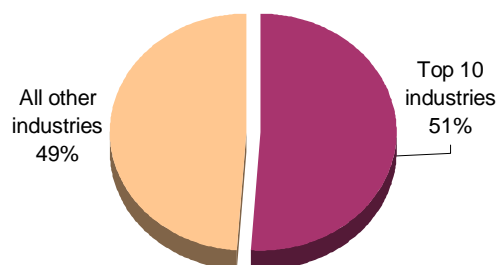
Top 10 Industries in Washburn County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	7	639	2	71
Food services & drinking places	52	443	-8	-75
Executive, legislative, & gen government	20	375	0	24
Hospitals	suppressed	suppressed	not avail.	not avail.
Food manufacturing	suppressed	suppressed	not avail.	not avail.
Ambulatory health care services	23	246	4	4
Wood product manufacturing	7	222	not avail.	not avail.
Food & beverage stores	8	215	-4	31
Motor vehicle & parts dealers	13	159	9	-21
Nursing & residential care facilities	7	150	-1	0

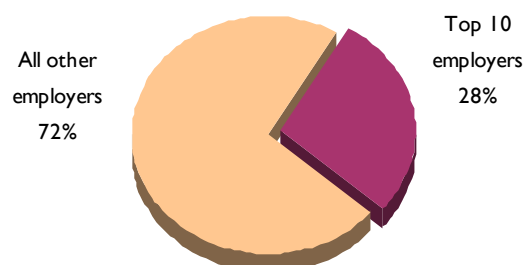
Top 10 Employers in Washburn County

Establishment	Product or Service	Size (Dec. 2003)
Link Snacks Inc.	Meat processing	250-499 employees
School District of Spooner	Elementary and secondary schools	250-499 employees
Spooner Health System Inc.	General medical and surgical hospitals	100-249 employees
County of Washburn	Executive, legislative, & gen. government offices	100-249 employees
Schmitz's Spooner Economart	Supermarkets and other grocery stores	100-249 employees
Birchwood Lumber & Veneer	Hardwood veneer and plywood manufacturing	100-249 employees
School District of Shell Lake	Elementary and secondary schools	100-249 employees
Department of Natural Resources	Administration of conservation programs	100-249 employees
School District of Birchwood	Elementary and secondary schools	50-99 employees
Terraceview Living Center	Nursing care facilities	50-99 employees

Share of jobs in top 10 industries in Washburn County



Share of Washburn County jobs with top 10 employers

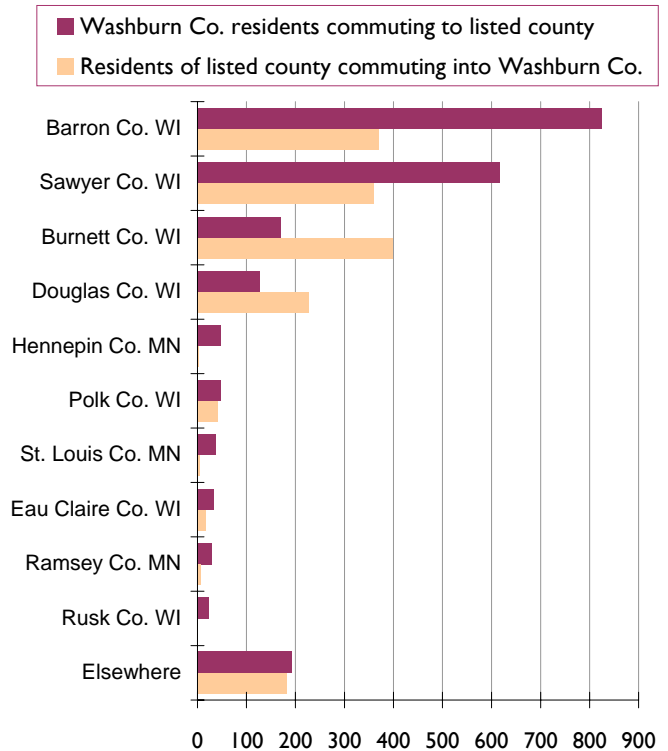


Commuting

The commuting interaction that Washburn County has with surrounding counties shows a net outflow of 534 workers, meaning that more workers travel out of the county for jobs than travel into the county from other areas.

Information from Census 2000 indicated that of the 7,050 workers living in Washburn County, nearly 2,155 of them, 31 percent, traveled out of the county for a job. Roughly four of every ten workers who left the county headed for employers in Barron County and another three of the ten traveled to Sawyer County. The most popular destination was the combined area of the City and Town of Hayward (Sawyer Co.), followed by the City of Rice Lake (Barron Co.). The fact that so many residents travel out of the county for a job is one of the primary reasons that the labor force in the county exceeds the number of jobs with the county's employers.

Even though over 30 percent of the workforce leaves the county for a job, employers in Washburn County attract roughly 1,620 workers, who travel from neighboring communities. Most of the inbound workers travel from Burnett, Barron and Sawyer counties. From the west, they are headed to the cities of Spooner and Shell Lake, and from east the primary destinations are the cities of Stone Lake and Birchwood. Barron County residents seek employers throughout the southern parts of the county.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The jobs in Washburn County share some characteristics with neighboring counties and those similarities were used to define a labor supply area. This list includes wages for some of the occupations with the most employment in that area. It is significant because these 20 occupations provide approximately 19,000 jobs, or 43 percent of total employment, in the combined county area.

Each occupation includes a mean (average) and median (50th percentile) hourly wage probably the most frequently requested wage information. If the mean and median are relatively close the labor market for that occupation is probably tight.

Eleven of the 20 occupations typically require only short-term training and, for the most part, have a mean hourly wage under \$10/hour. There are also jobs on this list that typically require only moderate to long-term training periods and have mean wages that exceed \$10/hour. Only the two highest paying jobs typically require college degrees.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Cashiers	\$7.93	\$6.24	\$7.07	\$8.67
Truck drivers, heavy & tractor-trailer	\$17.31	\$12.88	\$17.20	\$20.94
Retail salespersons	\$8.83	\$6.64	\$7.84	\$9.78
Carpenters	\$13.91	\$7.07	\$14.28	\$17.43
Janitors & cleaners, except maids & hskpg. cleaners	\$9.54	\$7.51	\$8.75	\$11.40
Waiters & waitresses	\$8.26	\$6.15	\$7.07	\$8.93
Bartenders	\$7.80	\$7.08	\$7.73	\$8.37
Secretaries, except legal, medical, & executive	\$9.94	\$7.72	\$9.34	\$12.22
Comb. food prep. & serving workers (fast food)	\$7.19	\$6.12	\$6.94	\$8.06
Nursing aides, orderlies, & attendants	\$10.19	\$8.91	\$10.19	\$11.35
Bookkeeping, accounting, & auditing clerks	\$11.60	\$8.94	\$11.58	\$13.75
Office clerks, general	\$9.93	\$7.98	\$9.55	\$11.62
Maids & hskpg. cleaners	\$7.75	\$6.55	\$7.64	\$8.78
Cooks, short order	\$6.77	\$5.88	\$6.41	\$6.94
Personal & home care aides	\$8.73	\$7.91	\$8.71	\$9.65
Automotive service technicians & mechanics	\$15.59	\$11.44	\$16.06	\$19.62
Maintenance & repair workers, general	\$12.57	\$9.16	\$11.96	\$15.28
Sales reps., whsl/mfg. except tech. & scientific prod.	\$19.12	\$12.63	\$15.65	\$22.16
Registered nurses	\$21.69	\$18.60	\$20.83	\$24.29
General & operations managers	\$34.27	\$20.21	\$28.43	\$42.93

Washburn County is part of an area which includes Ashland, Bayfield, Douglas, Iron, Sawyer, Vilas and Washburn counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

From 2002 to 2003, payroll employment in Washburn County increased by 127 jobs, or 2.2 percent, while employment in Wisconsin fell 0.2 percent. The largest numerical increase in employment occurred with the trade, transportation & utilities group of employers with the addition of 101 jobs. Its average annual wages of \$20,684 is only 72 percent of wages for similar work in the state and is lower than the average wage in all industries in Washburn County of \$23,958. Wages from all industries are also 72 percent of wages in the state in spite of an increase of 4.8 percent that exceeded the increase in the state of 3.1 percent.

The county's highest wages are paid to workers in the financial institutions sector, whom are only four percent of the county's workers, while the lowest wages, those in leisure & hospitality, are paid to 12 percent of the county's workers. Several factors influence average wages in industries including occupation composition (professional and technical jobs generally have higher wages than clerical and service occupations), job tenure (those with more seniority are paid more than new hires), average workweek (full or part-time), and seasonal and temporary employment.

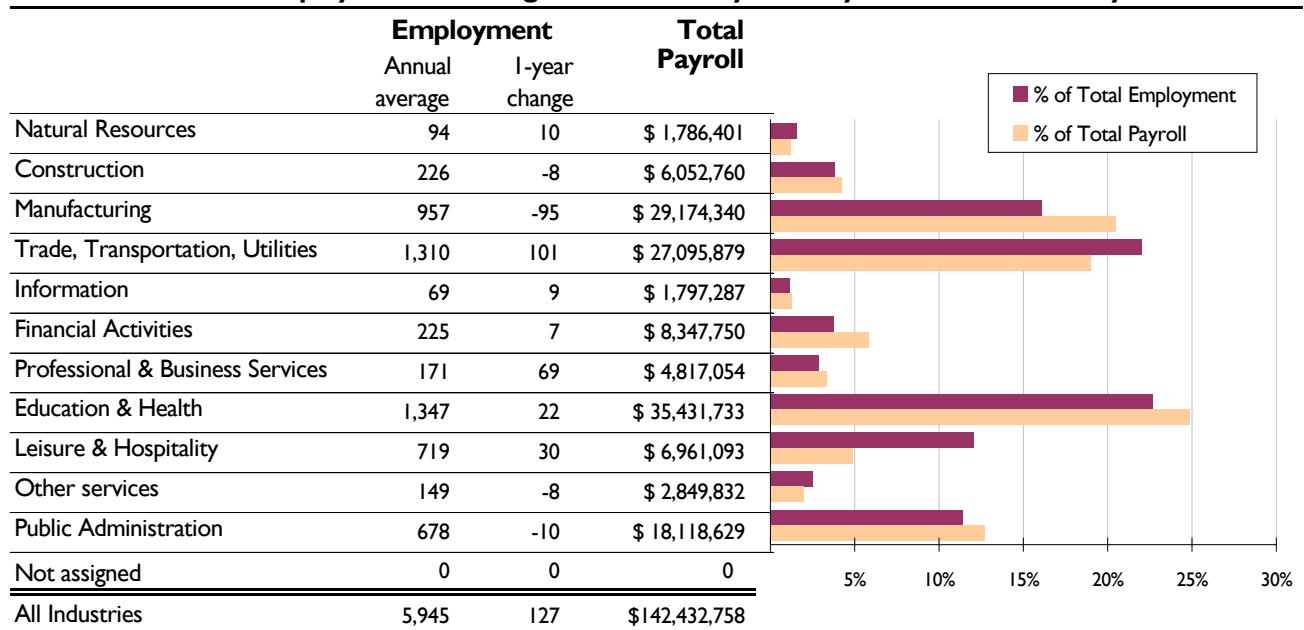
Average Annual Wage by Industry Division in 2003

	Average Annual Wage Wisconsin	Average Annual Wage Washburn County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 23,958	71.7%	4.8%
Natural resources	\$ 25,723	\$ 19,004	73.9%	-2.2%
Construction	\$ 40,228	\$ 26,782	66.6%	9.4%
Manufacturing	\$ 42,013	\$ 30,485	72.6%	13.6%
Trade, Transportation, Utilities	\$ 28,896	\$ 20,684	71.6%	1.2%
Information	\$ 39,175	\$ 26,048	66.5%	-8.9%
Financial activities	\$ 42,946	\$ 37,101	86.4%	21.7%
Professional & Business Services	\$ 38,076	\$ 28,170	74.0%	25.1%
Education & Health	\$ 35,045	\$ 26,304	75.1%	0.4%
Leisure & Hospitality	\$ 12,002	\$ 9,682	80.7%	-1.4%
Other services	\$ 19,710	\$ 19,126	97.0%	6.0%
Public Administration	\$ 35,689	\$ 26,724	74.9%	3.3%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

The distribution of total payroll and employment for the major industry groups in Washburn County is detailed in the chart below. Education & health services employers, which in this case also includes public education, provides the greatest share of the jobs, 22.7 percent, in Washburn County and has the highest payroll. The second highest payroll is with manufacturing employers. Although manufacturing employment declined 9.0 percent in 2003, these employers still provide 16 percent of the county's jobs and their average wages are second highest in the county.

2003 Employment and Wage Distribution by Industry in Washburn County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

Per capita personal income (see glossary) increased 2.9 percent in Washburn County in 2002, faster than in the United States, Wisconsin and other non-metropolitan counties in the state. Even with the increase, the PCPI in the county is only 76 percent of PCPI in Wisconsin and 74 percent of the United States. The Washburn County PCPI ranks 60th out of 72 counties in the Wisconsin.

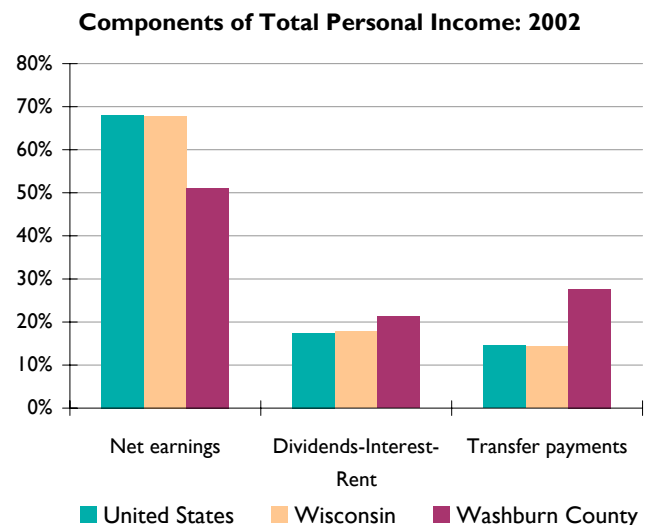
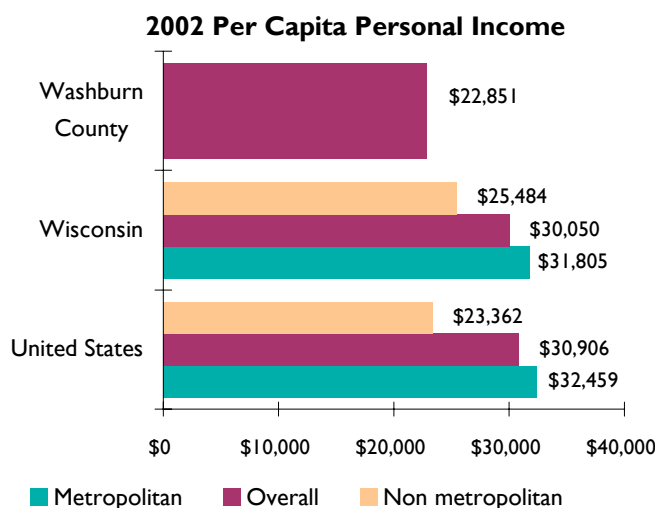
The greatest share of total personal income is net earnings from jobs both in and out of the county, self-employment and proprietorships. Not only are the county's annual average wages considerably lower than in Wisconsin, but its net earn-

ings in comprise only 51 percent of total personal income, well below the 68 percent share in both the state and nation. In contrast, transfer payments comprise a much larger share of Washburn's total personal income. Both of these factors contribute to the lower PCPI in the county.

While PCPI is often used as a comparative income measure it should be remembered that population is also a key component. PCPI is the result of dividing total income by total population. Most income is earned by residents over 18 years old, but the younger population is still included in the formula. Likewise, a retired population has a much lower earning capacity.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Washburn County	\$18,604	\$19,644	\$20,231	\$21,329	\$22,202	\$22,851	2.9%	22.8%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Washburn County	\$20,853	\$21,681	\$21,846	\$22,283	\$22,553	\$22,851	1.3%	9.6%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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email: Beverly.Gehrke@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Fertility rate - Number of live births per 1,000 women aged 15-44 years.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.